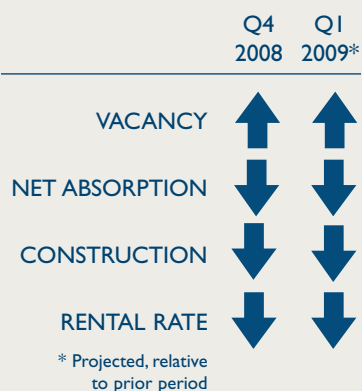


Highlights

OFFICE | FOURTH QUARTER | 2008



MARKET INDICATORS



U.S. OFFICE MARKET SUMMARY STATISTICS FOURTH QUARTER 2008

Vacancy Rate Q4 2008 (Change from Q3 2008): 14.19% (+0.53)

Absorption Q4 2008
(Million Square Feet): -11.4

New Construction Completions
Q4 2008 (Million Square Feet): 18.6

Under Construction Activity
(Million Square Feet): 94.2

Asking Rents Per Square Foot
(Change from Q3 2008)

- Downtown Class A: \$45.87 (-7.1%)
- Suburban Class A: \$28.09 (-1.4%)

Tenant Inducements
Per Square Foot/Free Rent (Months)

- Downtown Class A: \$28.13 (3.8)

U.S. Office Market Shows Further Signs of Weakening as Economy Contracts

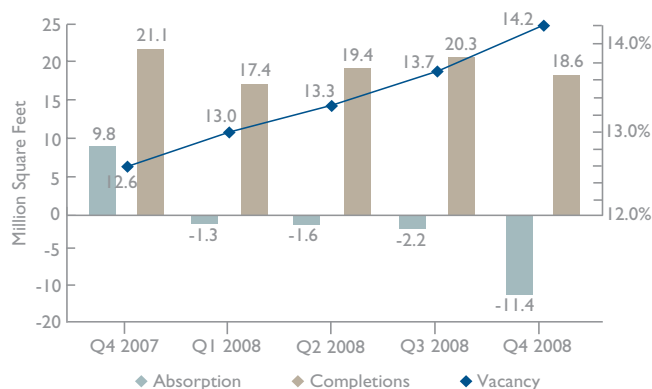
For the fourth consecutive quarter, the U.S. office market gave back space during the fourth quarter, helping to push the national vacancy rate up for the fifth consecutive three-month period. A modest supply of office development also came on during the fourth quarter, again helping to put upward pressure on the national vacancy rate. Rents accelerated downward as weakness in the general economy became more apparent with downtown lease rates in particular falling sharply. Looking forward, office space fundamentals are sure to weaken substantially as tenants pull back and construction continues, at least through the end of 2009. Almost every region of the country is reporting weak economic growth with job losses now anticipated for the balance of 2009. Weakness that was largely restricted to financial services and housing has now spread to the economy at large with very few industries considering expansion or new hiring. With such an uncertain business environment, the office space market will remain extremely weak through the end of 2009.

U.S. office vacancy rate posts fifth consecutive increase. – The US national office vacancy rate moved substantially higher during the fourth quarter, marking the fifth consecutive increase. Aided by a 12.4% jump in sublease space, the overall vacancy rate increased 53 basis points to register 14.19%. Vacancies are now back to Q3 2005 levels. The Downtown vacancy rate increased 65 basis points to register 12.08%, while suburban vacancies increased 47 basis points to total 15.18%. Class A vacancy rates also moved higher with prime CBD vacancies rising 88 basis points to 11.06%, while suburban vacancies increased 63 basis points to 15.30%.

Tenants returning space to the market produces negative absorption. – Fourth quarter absorption was again negative with occupied space contracting by 11.4 million square feet (MSF), the fourth consecutive quarterly contraction and in stark contrast to a year ago when absorption was 9.8 MSF. Full year absorption registered -15.7 MSF. The last time absorption posted negative absorption was 2002, when occupied space contracted by 40.1 MSF. Canadian markets managed 1.0 MSF of positive absorption, marginally below the third quarter when absorption registered 2.6 MSF.

(Continued on page 7)

U.S. OFFICE MARKET Q4 2007 – Q4 2008



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UNITED STATES

DOWNTOWN OFFICE

ALL INVENTORY

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2008	NEW SUPPLY Q4 2008 (SF)	NEW SUPPLY YTD 2008 (SF)	UNDER CONSTRUCTION (SF)	ABSORPTION Q4 2008 (SF)	ABSORPTION YTD 2008 (SF)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008
Atlanta, GA	55,273,000	264,000	264,000	1,253,000	206,000	371,000	12.6	12.6
Bakersfield, CA	2,926,000	0	79,000	0	24,000	(11,000)	6.5	6.3
Baltimore, MD	19,471,000	0	0	803,000	(2,000)	(60,000)	17.4	17.4
Boise, ID	3,470,000	0	0	0	(5,000)	(8,000)	9.2	9.5
Boston, MA	57,241,000	0	546,000	1,544,000	(734,000)	(509,000)	9.3	10.6
Charleston, SC	2,064,000	0	0	0	(2,000)	13,000	6.5	6.6
Charlotte, NC	20,078,000	0	0	2,915,000	(8,000)	44,000	2.4	2.4
Chicago, IL	129,228,000	0	501,000	4,453,000	(619,000)	320,000	12.6	12.8
Cincinnati, OH	12,707,000	0	0	825,000	(3,000)	(178,000)	16.8	17.3
Cleveland, OH	29,943,000	0	0	0	37,000	447,000	16.5	16.4
Columbia, SC	4,460,000	0	0	305,000	(2,000)	36,000	12.5	12.5
Columbus, OH	9,673,000	0	140,000	495,000	13,000	105,000	11.3	13.1
Dallas/Ft. Worth, TX	35,286,000	0	0	0	(7,000)	(9,000)	20.5	20.5
Denver, CO	26,601,000	0	499,000	1,459,000	46,000	(334,000)	17.3	17.3
Detroit, MI	30,128,000	0	0	0	36,000	78,000	16.4	15.9
Fresno, CA	3,092,000	8,000	31,000	90,000	97,000	63,000	11.2	8.3
Ft. Lauderdale/Broward County, FL	6,041,000	0	0	0	6,000	(20,000)	12.7	12.6
Greenville, SC	3,144,000	0	6,000	60,000	(45,000)	54,000	17.3	23.8
Hartford, CT	10,050,000	0	0	0	11,000	20,000	15.0	14.9
Honolulu, HI	8,064,000	0	0	0	(4,000)	(49,000)	9.8	9.8
Houston, TX	38,107,000	233,000	233,000	1,848,000	106,000	117,000	11.8	12.2
Indianapolis, IN	11,559,000	0	42,000	0	(126,000)	47,000	14.1	15.2
Jacksonville, FL	12,878,000	0	40,000	0	(26,000)	50,000	10.6	10.8
Kansas City, MO-KS	11,193,000	0	0	0	51,000	23,000	21.6	21.1
Las Vegas, NV	3,373,000	0	0	0	11,000	(34,000)	8.5	8.9
Little Rock, AR	5,669,000	0	0	23,000	4,000	(47,000)	12.7	12.9
Los Angeles, CA	31,598,000	100,000	100,000	0	72,000	(526,000)	15.0	14.8
Louisville, KY	10,706,000	0	0	0	(55,000)	(58,000)	7.1	7.6
Memphis, TN	9,235,000	0	0	0	35,000	340,000	11.6	11.2
Miami/Dade County, FL	15,161,000	0	0	1,978,000	(62,000)	(252,000)	14.4	14.8
Milwaukee, WI	10,629,000	0	0	0	(177,000)	(177,000)	15.9	17.5
Minneapolis/St. Paul, MN	24,422,000	0	0	0	106,000	390,000	15.3	14.8
Nashville, TN	7,449,000	10,000	41,000	595,000	(17,000)	(260,000)	15.5	15.8
New York, NY - DT Manhattan	89,794,000	0	0	4,600,000	(1,243,000)	(3,053,000)	8.8	10.2
New York, NY - MT Manhattan	254,883,000	0	0	4,530,000	(3,743,000)	(8,658,000)	8.7	10.2
New York, NY - MTS Manhattan	98,339,000	0	0	0	(1,112,000)	(2,080,000)	10.3	11.4
Oakland, CA	9,843,000	0	0	772,000	75,000	14,000	19.9	19.1
Orlando, FL	11,539,000	253,000	519,000	0	109,000	(81,000)	13.1	14.2
Philadelphia, PA	41,969,000	0	0	0	226,000	558,000	9.8	9.3
Phoenix, AZ	19,865,000	0	94,000	1,030,000	21,000	(102,000)	13.2	13.9
Pleasanton/Walnut Creek, CA	22,390,000	0	0	186,000	(684,000)	(1,413,000)	14.9	17.3
Portland, OR	33,863,000	149,000	322,000	1,024,000	139,000	404,000	6.8	7.0
Raleigh/Durham/Chapel Hill, NC	3,739,000	(17,000)	282,000	144,000	(12,000)	303,000	10.0	8.4
Reno, NV	1,318,000	0	0	0	(17,000)	(23,000)	19.8	21.0
Sacramento, CA	18,225,000	0	366,000	434,000	203,000	601,000	9.8	8.7
San Diego County, CA	10,104,000	0	0	40,000	(44,000)	(43,000)	14.7	15.3
San Francisco, CA	82,895,000	1,017,000	1,827,000	466,000	(766,000)	(590,000)	10.5	12.6
San Jose/Silicon Valley, CA	7,275,000	0	0	300,000	(87,000)	(601,000)	20.0	20.5
Santa Rosa/Sonoma County, CA	1,085,000	0	0	52,000	5,000	45,000	11.1	10.6
Seattle, WA	38,133,000	390,000	918,000	4,117,000	130,000	337,000	9.2	9.6
St. Louis, MO	11,552,000	0	0	0	(30,000)	(114,000)	20.7	21.0
Stockton/San Joaquin County, CA	7,277,000	205,000	396,000	0	183,000	154,000	18.7	18.6
Tampa, FL	8,499,000	0	0	0	15,000	(78,000)	14.9	14.7
Washington, DC	113,523,000	215,000	1,660,000	8,636,000	87,000	755,000	7.8	7.8
W. Palm Beach/Palm Beach County, FL	8,789,000	0	396,000	0	(98,000)	(199,000)	18.2	19.2
US TOTAL	1,555,816,000	2,827,000	9,303,000	44,975,000	(7,675,000)	(13,877,000)	11.44	12.08

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2008	ABSORPTION Q4 2008 (SF)	ABSORPTION YTD 2008 (SF)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008	AVERAGE ANNUAL QUOTED RENT (US\$PSF) DEC. 31, 2008	QUARTERLY CHANGE (%)	YTD CHANGE (%)
Atlanta, GA	30,376,000	228,000	43,000	16.2	16.2	23.00	1.6	12.0
Bakersfield, CA	668,000	23,000	15,000	8.5	5.0	17.40	0.0	0.0
Baltimore, MD	9,204,000	38,000	(80,000)	16.1	15.7	24.10	(0.4)	0.0
Boise, ID	2,038,000	(6,000)	(41,000)	4.5	4.6	19.90	(1.0)	0.2
Boston, MA	39,352,000	(640,000)	(734,000)	8.3	10.0	61.90	2.8	6.7
Charleston, SC	1,031,000	(10,000)	3,000	5.5	6.4	28.00	0.0	0.9
Charlotte, NC	14,461,000	(14,000)	38,000	1.2	1.3	32.20	(0.7)	11.0
Chicago, IL	70,738,000	(1,092,000)	(134,000)	11.5	12.5	39.00	(2.5)	(2.5)
Cincinnati, OH	5,869,000	8,000	170,000	14.2	14.1	23.60	0.2	5.5
Cleveland, OH	8,932,000	130,000	221,000	13.2	11.7	19.90	(0.4)	(0.6)
Columbia, SC	1,896,000	31,000	48,000	9.5	8.2	20.40	1.0	2.6
Columbus, OH	4,308,000	5,000	61,000	10.2	12.3	22.80	13.2	5.4
Dallas/Ft. Worth, TX	22,497,000	(17,000)	(194,000)	21.2	21.3	26.00	0.0	4.0
Denver, CO	18,015,000	(88,000)	(27,000)	12.4	12.8	34.00	0.0	13.3
Detroit, MI	11,573,000	(73,000)	(54,000)	12.7	13.3	22.30	(0.4)	(5.9)
Fresno, CA	949,000	67,000	80,000	10.9	4.0	26.40	(2.2)	(4.3)
Ft. Lauderdale/Broward County, FL	3,906,000	(1,000)	(14,000)	15.6	15.7	32.60	(1.3)	0.6
Greenville, SC	1,794,000	(16,000)	59,000	12.2	17.6	21.90	6.8	21.8
Hartford, CT	6,291,000	4,000	(12,000)	13.4	13.4	23.80	0.0	(0.8)
Honolulu, HI	4,700,000	(1,000)	(53,000)	10.8	10.9	37.40	0.9	2.9
Houston, TX	27,510,000	(11,000)	133,000	7.3	8.1	38.40	0.2	5.5
Indianapolis, IN	6,504,000	(93,000)	(164,000)	16.2	17.8	20.60	7.8	5.6
Jacksonville, FL	6,602,000	(40,000)	(176,000)	13.8	14.4	21.00	5.0	5.0
Kansas City, MO-KS	6,115,000	13,000	14,000	17.6	17.4	20.00	(5.7)	(1.8)
Las Vegas, NV	700,000	0	2,000	12.3	15.1	39.30	0.0	0.7
Little Rock, AR	3,239,000	16,000	61,000	10.6	10.7	15.80	0.0	4.0
Los Angeles, CA	14,815,000	(22,000)	(311,000)	12.3	13.1	37.60	3.0	1.3
Louisville, KY	3,413,000	(4,000)	(50,000)	8.0	8.1	21.40	4.7	9.8
Memphis, TN	1,965,000	9,000	65,000	19.8	19.4	16.90	(0.4)	(0.8)
Miami/Dade County, FL	7,258,000	(32,000)	(37,000)	10.3	10.7	44.10	(0.2)	19.5
Milwaukee, WI	5,323,000	(159,000)	(159,000)	9.6	12.6	22.00	0.0	0.0
Minneapolis/St. Paul, MN	13,240,000	(57,000)	208,000	12.4	12.8	27.20	0.6	2.7
Nashville, TN	3,868,000	(13,000)	(104,000)	15.3	15.6	19.40	0.8	(2.9)
New York, NY - DT Manhattan	55,574,000	(521,000)	(2,114,000)	6.8	7.7	56.50	(8.0)	3.7
New York, NY - MT Manhattan	159,690,000	(3,182,000)	(6,570,000)	7.9	9.9	82.10	(11.9)	(13.6)
New York, NY - MTS Manhattan	14,176,000	(200,000)	(102,000)	4.4	5.8	59.30	(8.3)	(1.2)
Oakland, CA	9,843,000	108,000	92,000	8.0	6.9	34.00	0.7	4.0
Orlando, FL	5,681,000	65,000	30,000	16.3	17.1	28.30	(3.7)	1.4
Philadelphia, PA	30,906,000	70,000	121,000	8.6	8.3	25.70	(0.6)	0.7
Phoenix, AZ	9,546,000	6,000	(74,000)	12.7	12.8	31.20	12.1	10.8
Pleasanton/Walnut Creek, CA	12,901,000	(112,000)	(684,000)	16.0	17.3	27.40	(1.7)	(2.6)
Portland, OR	14,519,000	113,000	187,000	5.1	5.1	25.40	(1.0)	7.6
Raleigh/Durham/Chapel Hill, NC	2,652,000	(2,000)	305,000	9.7	7.0	23.00	(10.5)	9.5
Reno, NV	548,000	(6,000)	5,000	13.5	14.6	22.90	0.0	0.0
Sacramento, CA	7,889,000	211,000	207,000	9.7	7.0	34.20	(1.7)	(4.7)
San Diego County, CA	6,977,000	7,000	(81,000)	16.4	16.3	34.40	(3.0)	(2.7)
San Francisco, CA	51,965,000	(454,000)	161,000	9.4	12.1	43.10	(23.3)	(22.8)
San Jose/Silicon Valley, CA	3,047,000	(26,000)	(467,000)	23.9	23.6	40.80	(0.3)	14.1
Santa Rosa/Sonoma County, CA	369,000	2,000	(4,000)	13.1	12.7	22.70	(4.1)	(10.0)
Seattle, WA	28,058,000	165,000	163,000	8.7	8.7	36.20	0.0	12.1
St. Louis, MO	6,807,000	(3,000)	(227,000)	21.2	21.2	20.60	0.0	0.0
Stockton/San Joaquin County, CA	2,557,000	194,000	243,000	23.6	24.8	20.60	(0.6)	8.6
Tampa, FL	4,533,000	(14,000)	18,000	16.7	17.0	22.50	(4.0)	3.2
Washington, DC	73,238,000	(206,000)	(18,000)	7.8	8.2	50.20	(1.5)	(1.5)
W. Palm Beach/Palm Beach County, FL	2,981,000	(6,000)	108,000	23.0	23.2	40.20	2.4	17.4
US TOTAL	863,606,000	(5,604,000)	(9,821,000)	10.17	11.06	45.90 (Weighted)	(7.13)	(5.58)
						30.60 (Equal)	(1.84)	0.89

UNITED STATES

SUBURBAN OFFICE

ALL INVENTORY

MARKET	EXISTING INVENTORY (\$F) DEC. 31, 2008	NEW SUPPLY Q4 2008 (\$F)	NEW SUPPLY YTD 2008 (\$F)	UNDER CONSTRUCTION (\$F)	ABSORPTION Q4 2008 (\$F)	ABSORPTION YTD 2008 (\$F)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008
Atlanta, GA	177,249,000	917,000	3,275,000	3,008,000	(198,000)	(273,000)	15.3	15.8
Bakersfield, CA	5,771,000	0	295,000	110,000	(126,000)	4,000	8.2	10.4
Baltimore, MD	48,315,000	401,000	1,860,000	1,215,000	454,000	508,000	16.8	16.6
Boise, ID	10,039,000	0	164,000	188,000	(216,000)	5,000	15.2	16.4
Boston, MA	99,455,000	247,000	1,741,000	1,802,000	(433,000)	(86,000)	16.4	17.1
Charleston, SC	7,903,000	0	699,000	0	(98,000)	(523,000)	20.0	21.3
Charlotte, NC	54,490,000	310,000	1,873,000	533,000	104,000	735,000	13.6	13.3
Chicago, IL	106,564,000	294,000	1,705,000	519,000	(774,000)	(877,000)	20.0	20.9
Cincinnati, OH	19,433,000	324,000	990,000	1,064,000	189,000	506,000	21.4	21.6
Cleveland, OH	68,995,000	78,000	216,000	266,000	301,000	859,000	10.4	10.3
Columbia, SC	4,816,000	0	40,000	0	(54,000)	66,000	17.8	17.8
Columbus, OH	16,552,000	319,000	922,000	795,000	314,000	572,000	16.0	14.1
Dallas/Ft. Worth, TX	252,407,000	1,868,000	5,380,000	3,962,000	1,645,000	4,277,000	16.2	16.0
Denver, CO	123,070,000	0	1,855,000	932,000	(676,000)	129,000	14.9	15.4
Detroit, MI	100,070,000	0	48,000	291,000	81,000	(128,000)	18.2	18.1
Fairfield, CA	3,572,000	0	0	0	(27,000)	36,000	23.7	24.4
Fresno, CA	17,553,000	67,000	118,000	14,000	48,000	(141,000)	13.2	13.3
Ft. Lauderdale/Broward County, FL	40,978,000	304,000	968,000	469,000	122,000	(7,000)	12.9	12.9
Greenville, SC	4,328,000	0	343,000	0	(32,000)	133,000	17.2	25.9
Hartford, CT	14,325,000	0	50,000	0	8,000	(230,000)	18.4	18.6
Honolulu, HI	7,642,000	0	0	45,000	(44,000)	(90,000)	6.7	7.3
Houston, TX	149,678,000	1,093,000	3,806,000	4,414,000	273,000	2,247,000	12.6	13.0
Indianapolis, IN	19,833,000	150,000	883,000	0	(3,000)	294,000	19.9	20.7
Jacksonville, FL	26,339,000	0	332,000	0	(34,000)	(728,000)	14.3	14.4
Kansas City, MO-KS	35,316,000	231,000	1,063,000	810,000	(123,000)	303,000	15.0	15.9
Las Vegas, NV	36,394,000	378,000	1,642,000	1,450,000	(153,000)	(1,140,000)	20.6	22.1
Little Rock, AR	7,270,000	0	0	90,000	(65,000)	(171,000)	11.8	12.7
Los Angeles - Inland Empire, CA	22,422,000	574,000	1,376,000	896,000	(25,000)	(422,000)	18.4	18.6
Los Angeles, CA	161,539,000	270,000	1,221,000	1,555,000	(842,000)	(2,024,000)	11.8	12.5
Louisville, KY	8,815,000	0	0	0	90,000	(74,000)	18.1	17.1
Memphis, TN	29,343,000	242,000	568,000	159,000	258,000	(35,000)	13.4	13.2
Miami/Dade County, FL	51,734,000	458,000	1,386,000	1,411,000	22,000	70,000	11.4	12.5
Milwaukee, WI	17,825,000	0	0	0	(247,000)	(247,000)	15.0	16.4
Minneapolis/St. Paul, MN	43,934,000	0	333,000	1,161,000	(436,000)	(908,000)	17.9	18.8
Nashville, TN	24,790,000	161,000	1,467,000	434,000	45,000	1,016,000	10.0	10.4
New Jersey - Central	103,955,000	186,000	536,000	1,101,000	322,000	(645,000)	15.7	15.5
New Jersey - Northern	158,718,000	313,000	448,000	445,000	876,000	126,000	11.7	11.3
New York - Fairfield County, CT	57,371,000	0	0	975,000	(764,000)	(771,000)	15.1	16.4
New York - Westchester County, NY	44,229,000	0	0	0	420,000	53,000	16.9	16.0
Oakland, CA	15,877,000	0	0	0	(15,000)	41,000	16.4	16.5
Orange County, CA	75,617,000	55,000	1,195,000	81,000	57,000	(1,560,000)	18.7	18.6
Orlando, FL	50,884,000	425,000	1,590,000	1,711,000	(196,000)	(272,000)	12.5	13.5
Philadelphia, PA	107,699,000	147,000	446,000	241,000	(491,000)	(778,000)	14.3	14.9
Phoenix, AZ	104,663,000	1,217,000	6,329,000	2,571,000	(1,037,000)	(781,000)	18.3	20.1
Pleasanton/Walnut Creek, CA	17,804,000	102,000	102,000	0	(216,000)	(339,000)	13.0	14.1
Portland, OR	42,036,000	199,000	724,000	441,000	121,000	172,000	11.6	11.7
Raleigh/Durham/Chapel Hill, NC	40,909,000	361,000	2,374,000	1,117,000	109,000	1,599,000	16.6	17.0
Reno, NV	5,312,000	0	107,000	0	46,000	(125,000)	19.5	18.7
Sacramento, CA	67,476,000	116,000	1,144,000	1,693,000	(270,000)	(8,000)	14.6	15.1
San Diego County, CA	65,689,000	604,000	2,205,000	1,344,000	(668,000)	(653,000)	15.4	17.4
San Francisco Peninsula, CA	33,149,000	319,000	319,000	0	(420,000)	(1,065,000)	14.0	16.1
San Jose/Silicon Valley, CA	51,792,000	0	917,000	2,587,000	(544,000)	(2,185,000)	12.7	13.6
Santa Rosa/Sonoma County, CA	8,666,000	0	33,000	144,000	(52,000)	(198,000)	26.8	27.4
Seattle, WA	53,956,000	450,000	2,087,000	2,087,000	(66,000)	401,000	12.5	13.4
St. Louis, MO	38,232,000	225,000	615,000	562,000	188,000	880,000	8.7	8.9
Tampa, FL	70,379,000	509,000	1,390,000	431,000	(108,000)	(805,000)	12.9	13.7
Washington, DC - N. Virginia	150,218,000	821,000	4,960,000	1,856,000	(703,000)	1,239,000	12.0	12.9
Washington, DC - Suburban, MD	73,498,000	157,000	922,000	1,787,000	(176,000)	(990,000)	11.0	11.0
W. Palm Beach/Palm Beach County, FL	25,868,000	833,000	1,380,000	467,000	540,000	436,000	17.8	18.3
US TOTAL	3,282,758,000	15,724,000	66,438,000	49,229,000	(3,699,000)	(2,571,000)	14.71	15.18

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2008	ABSORPTION Q4 2008 (SF)	ABSORPTION YTD 2008 (SF)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008	AVERAGE ANNUAL QUOTED RENT (US\$PSF) DEC. 31, 2008	QUARTERLY CHANGE (%)	YTD CHANGE (%)
Atlanta, GA	75,824,000	153,000	(118,000)	15.7	16.1	23.10	(0.6)	(1.8)
Bakersfield, CA	2,580,000	(29,000)	81,000	6.2	6.9	24.00	0.0	0.0
Baltimore, MD	20,510,000	381,000	591,000	19.0	18.7	26.10	2.3	0.5
Boise, ID	4,315,000	(8,000)	(49,000)	17.5	17.2	18.90	(1.9)	15.1
Boston, MA	28,237,000	(216,000)	229,000	14.6	16.1	32.10	6.0	12.2
Charleston, SC	3,878,000	(27,000)	(48,000)	19.7	20.4	26.00	0.0	2.0
Charlotte, NC	19,483,000	(47,000)	486,000	18.6	18.0	20.00	(11.0)	0.4
Chicago, IL	57,718,000	(832,000)	(939,000)	19.7	21.5	24.00	(14.3)	(13.7)
Cincinnati, OH	12,112,000	219,000	531,000	19.0	19.3	20.50	0.0	1.5
Cleveland, OH	12,189,000	92,000	(9,000)	12.3	12.0	21.10	0.1	2.6
Columbia, SC	959,000	(10,000)	(19,000)	12.6	13.5	17.70	(0.3)	4.7
Columbus, OH	9,069,000	59,000	343,000	8.4	8.4	19.40	0.2	4.9
Dallas/Ft. Worth, TX	91,605,000	894,000	1,304,000	15.4	15.5	26.00	(1.0)	(1.9)
Denver, CO	36,650,000	(1,038,000)	(166,000)	11.8	14.7	25.00	0.0	6.4
Detroit, MI	27,360,000	93,000	529,000	15.9	15.9	23.80	(1.3)	1.3
Fairfield, CA	2,157,000	(8,000)	5,000	26.2	26.6	25.40	13.4	—
Fresno, CA	3,752,000	(12,000)	(201,000)	23.4	23.7	27.00	0.0	(2.2)
Ft. Lauderdale/Broward County, FL	9,967,000	144,000	(25,000)	19.9	19.0	31.40	(0.5)	9.7
Greenville, SC	1,812,000	(5,000)	57,000	9.9	14.2	18.60	(2.4)	3.5
Hartford, CT	8,139,000	13,000	(182,000)	16.3	16.5	21.10	(0.1)	0.9
Houston, TX	61,199,000	195,000	2,249,000	10.3	11.1	27.90	0.6	4.8
Indianapolis, IN	9,961,000	1,000	380,000	18.6	20.2	19.30	6.2	(0.6)
Jacksonville, FL	9,410,000	(28,000)	(94,000)	11.7	12.0	21.00	2.4	2.4
Kansas City, MO-KS	10,847,000	9,000	174,000	14.6	14.5	22.70	0.1	1.3
Las Vegas, NV	4,684,000	(61,000)	(96,000)	25.5	29.8	36.80	(3.0)	(3.6)
Little Rock, AR	3,477,000	(19,000)	(89,000)	7.0	7.6	18.30	0.0	1.4
Los Angeles - Inland Empire, CA	5,159,000	(52,000)	(35,000)	26.0	26.1	28.60	(24.8)	—
Los Angeles, CA	97,251,000	(606,000)	(1,285,000)	10.9	11.8	38.00	34.3	(5.4)
Louisville, KY	5,437,000	(5,000)	6,000	16.3	15.8	19.50	6.2	(2.7)
Memphis, TN	7,633,000	254,000	299,000	8.5	7.8	21.40	1.5	2.1
Miami/Dade County, FL	12,791,000	218,000	302,000	12.0	14.0	34.70	0.2	4.5
Milwaukee, WI	5,984,000	(16,000)	(16,000)	12.1	12.4	21.00	0.0	0.0
Minneapolis/St. Paul, MN	16,671,000	(47,000)	(81,000)	12.8	13.2	27.90	(0.9)	5.0
Nashville, TN	15,538,000	13,000	858,000	9.5	10.0	22.40	1.6	11.8
New Jersey - Central	61,418,000	(165,000)	1,019,000	15.2	15.5	27.10	0.4	1.9
New Jersey - Northern	96,402,000	(461,000)	(669,000)	14.3	13.8	29.10	2.3	0.6
New York - Fairfield County, CT	31,271,000	(547,000)	(734,000)	16.7	18.5	31.40	(6.3)	(9.5)
New York - Westchester County, NY	25,108,000	463,000	452,000	20.1	18.3	28.40	(0.2)	(7.0)
Oakland, CA	3,582,000	61,000	100,000	36.0	34.3	31.90	10.3	5.6
Orange County, CA	31,897,000	94,000	(710,000)	21.8	21.1	35.40	0.0	(7.7)
Orlando, FL	14,717,000	(34,000)	251,000	13.3	14.1	24.10	(0.8)	(3.9)
Philadelphia, PA	64,696,000	(34,000)	343,000	14.0	14.2	25.10	(0.2)	1.6
Phoenix, AZ	32,101,000	(566,000)	(692,000)	20.9	24.0	29.60	1.8	5.1
Pleasanton/Walnut Creek, CA	9,802,000	(105,000)	15,000	11.1	12.4	24.20	(3.3)	(11.0)
Portland, OR	12,995,000	30,000	117,000	11.1	11.7	24.60	1.9	3.1
Raleigh/Durham/Chapel Hill, NC	24,438,000	123,000	1,552,000	15.2	15.1	22.40	(1.4)	3.5
Reno, NV	2,881,000	24,000	(85,000)	22.4	21.6	22.80	0.0	(5.0)
Sacramento, CA	14,313,000	(43,000)	(51,000)	17.3	17.6	25.20	(1.9)	(7.5)
San Diego County, CA	22,976,000	(153,000)	(8,000)	19.3	22.0	38.30	(0.6)	0.3
San Francisco Peninsula, CA	21,487,000	(238,000)	(592,000)	13.3	15.7	39.20	(8.7)	(10.4)
San Jose/Silicon Valley, CA	24,003,000	(121,000)	647,000	12.2	13.3	41.50	(3.6)	1.2
Santa Rosa/Sonoma County, CA	3,212,000	(8,000)	(22,000)	32.6	32.8	24.70	(0.5)	(5.9)
Seattle, WA	34,180,000	(64,000)	361,000	12.2	13.3	27.70	0.0	(16.6)
St. Louis, MO	23,675,000	165,000	646,000	6.3	6.7	26.00	0.0	13.0
Tampa, FL	23,213,000	(20,000)	(79,000)	13.8	15.5	24.30	(1.6)	(0.4)
Washington, DC - N. Virginia	98,087,000	(129,000)	484,000	12.5	13.0	30.40	(7.4)	(0.9)
Washington, DC - Suburban, MD	38,148,000	(154,000)	121,000	12.8	13.0	30.50	(0.7)	5.8
W. Palm Beach/Palm Beach County, FL	7,410,000	(77,000)	123,000	18.3	20.0	32.90	(1.8)	6.6
US TOTAL	1,416,368,000	(2,288,000)	7,562,000	14.68	15.30	28.10 (Weighted)	(1.39)	(2.07)
						26.30 (Equal)	(0.57)	(0.56)

DOWNTOWN OFFICE ALL INVENTORY

MARKET	EXISTING INVENTORY (\$F) DEC. 31, 2008	NEW SUPPLY Q4 2008 (\$F)	NEW SUPPLY YTD 2008 (\$F)	UNDER CONSTRUCTION (\$F)	ABSORPTION Q4 2008 (\$F)	ABSORPTION YTD 2008 (\$F)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008
Calgary, AB	34,211,000	604,000	734,000	5,772,000	128,000	(24,000)	3.5	4.6
Edmonton	10,149,000	0	125,000	578,000	(95,000)	(88,000)	3.4	4.3
Halifax, NS	4,891,000	0	0	0	60,000	102,000	4.1	3.0
Montreal	49,658,000	0	0	108,000	172,000	1,682,000	5.3	4.9
Ottawa, ON	14,606,000	0	0	360,000	115,000	273,000	3.1	2.3
Regina, SK	3,720,000	0	0	0	29,000	101,000	1.7	1.6
Saskatoon	1,926,000	0	126,000	127,000	(11,000)	120,000	4.2	4.8
Toronto	85,061,000	48,000	48,000	3,808,000	142,000	1,185,000	3.6	4.0
Vancouver, BC	24,450,000	0	(62,000)	46,000	(114,000)	185,000	1.6	2.1
Victoria, BC	4,642,000	0	(25,000)	190,000	0	19,000	0.0	2.0
CANADA TOTAL	233,314,000	652,000	946,000	10,989,000	425,000	3,555,000	3.6	3.9

DOWNTOWN OFFICE CLASS A

MARKET	EXISTING INVENTORY (\$F) DEC. 31, 2008	ABSORPTION Q4 2008 (\$F)	ABSORPTION YTD 2008 (\$F)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008	AVERAGE ANNUAL QUOTED RENT (C\$PSF) DEC. 31, 2008	QUARTERLY CHANGE (%)	YTD CHANGE (%)
Calgary, AB	12,923,000	7,000	105,000	2.5	2.4	55.50	(4.3)	(7.5)
Edmonton	8,275,000	(92,000)	(74,000)	1.9	3.0	45.50	(3.1)	26.5
Halifax, NS	1,916,000	45,000	60,000	4.9	2.6	30.60	0.0	4.0
Montreal	22,968,000	(6,000)	815,000	3.8	3.9	27.60	(10.2)	(7.2)
Ottawa, ON	8,641,000	33,000	148,000	2.1	1.7	50.50	12.6	12.6
Regina, SK	1,026,000	0	22,000	0.7	0.7	33.00	0.0	(0.1)
Saskatoon	442,000	0	7,000	0.8	0.8	30.10	0.0	30.0
Toronto	38,066,000	180,000	567,000	4.0	4.5	57.80	10.7	12.9
Vancouver, BC	10,034,000	(73,000)	211,000	0.5	1.3	44.00	(4.3)	(4.3)
Victoria, BC	597,000	0	(12,000)	0.0	2.1	37.00	0.0	2.8
CANADA TOTAL	104,888,000	93,000	1,850,000	3.05	3.33	47.00 (Weighted)	2.42	5.86
						41.20 (Equal)	(0.54)	4.85

SUBURBAN OFFICE ALL INVENTORY

MARKET	EXISTING INVENTORY (\$F) DEC. 31, 2008	NEW SUPPLY Q4 2008 (\$F)	NEW SUPPLY YTD 2008 (\$F)	UNDER CONSTRUCTION (\$F)	ABSORPTION Q4 2008 (\$F)	ABSORPTION YTD 2008 (\$F)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008
Calgary, AB	21,434,000	412,000	2,173,000	3,989,000	82,000	2,270,000	3.2	4.8
Edmonton	7,495,000	0	302,000	320,000	11,000	150,000	3.4	3.4
Halifax, NS	5,745,000	240,000	345,000	495,000	47,000	109,000	13.6	14.9
Montreal	22,244,000	106,000	178,000	33,000	93,000	427,000	9.6	9.7
Ottawa, ON	19,819,000	0	0	0	(109,000)	(263,000)	8.7	9.3
Regina, SK	511,000	0	16,000	68,000	27,000	37,000	0.1	0.3
Toronto	94,408,000	104,000	1,301,000	2,337,000	606,000	2,253,000	5.4	5.2
Vancouver, BC	27,743,000	4,000	475,000	571,000	(190,000)	266,000	6.1	6.8
Victoria, BC	3,349,000	0	5,000	166,000	0	0	0.0	3.1
CANADA TOTAL	202,749,000	866,000	4,795,000	7,980,000	565,000	5,250,000	6.13	6.45

SUBURBAN OFFICE CLASS A

MARKET	EXISTING INVENTORY (\$F) DEC. 31, 2008	ABSORPTION Q4 2008 (\$F)	ABSORPTION YTD 2008 (\$F)	VACANCY RATE (%) SEPT. 30, 2008	VACANCY RATE (%) DEC. 31, 2008	AVERAGE ANNUAL QUOTED RENT (C\$PSF) DEC. 31, 2008	QUARTERLY CHANGE (%)	YTD CHANGE (%)
Calgary, AB	8,367,000	82,000	1,252,000	2.6	4.8	37.50	(2.6)	(10.7)
Edmonton	—	—	—	—	—	32.00	(3.2)	14.1
Halifax, NS	2,288,000	(8,000)	(70,000)	14.0	21.2	26.50	0.0	0.1
Montreal	11,849,000	66,000	354,000	7.7	8.0	27.60	27.2	13.9
Ottawa, ON	11,621,000	(41,000)	(268,000)	9.4	9.7	32.50	22.4	22.4
Regina, SK	511,000	27,000	37,000	0.1	0.3	28.00	16.7	16.7
Toronto	41,207,000	534,000	2,045,000	6.0	6.3	30.00	0.7	(1.0)
Vancouver, BC	12,500,000	(220,000)	133,000	7.5	9.1	31.00	0.0	3.3
Victoria, BC	682,000	0	(3,000)	—	1.6	33.00	0.0	0.0
CANADA TOTAL	89,026,000	440,000	3,480,000	6.67	7.52	30.80 (Weighted)	5.75	3.55
						30.90 (Equal)	5.31	6.25

UNITED STATES OFFICE INVESTMENT

MARKET	CBD SALES PRICE (US\$PSF)	CBD CAP RATE (%)	SUBURBAN SALES PRICE (US\$PSF)	SUBURBAN CAP RATE (%)
Atlanta, GA	170.00	7.25	173.00	8.00
Bakersfield, CA	170.00	—	—	—
Baltimore, MD	210.00	8.00	175.00	8.50
Boise, ID	150.00	7.60	150.00	7.60
Boston, MA	245.00	7.00	180.00	—
Charleston, SC	300.00	7.50	170.00	9.00
Charlotte, NC	275.00	8.00	185.00	8.50
Chicago, IL	275.00	6.75	150.00	8.00
Cleveland, OH	115.00	10.00	115.00	9.50
Columbus, OH	65.00	—	50.00	—
Dallas/Ft. Worth, TX	—	—	115.00	7.80
Denver, CO	235.00	7.25	170.00	7.25
Fresno, CA	185.00	8.50	210.00	8.00
Ft. Lauderdale/Broward County, FL	—	—	195.00	8.25
Greenville, SC	165.00	8.00	140.00	8.50
Houston, TX	185.00	6.80	155.00	7.80
Jacksonville, FL	115.00	8.00	135.00	8.00
Kansas City, MO-KS	245.00	7.50	140.00	7.50
Las Vegas, NV	—	—	270.00	8.00
Little Rock, AR	80.00	8.75	130.00	9.00
Los Angeles - Inland Empire, CA	—	—	195.00	5.90
Los Angeles, CA	285.00	5.00	330.00	5.20
Miami/Dade County, FL	345.00	6.50	260.00	6.10
Milwaukee, WI	225.00	8.00	180.00	8.00
Minneapolis/St. Paul, MN	175.00	8.00	175.00	8.00
Nashville, TN	175.00	8.25	235.00	7.25
New Jersey - Central	—	—	160.00	7.50
New Jersey - Northern	—	—	200.00	7.50
New York - Fairfield County, CT	—	—	330.00	6.00
New York - Westchester County, NY	—	—	230.00	7.00
New York, NY - MT Manhattan	500.00	5.50	—	—
New York, NY - MTS Manhattan	450.00	6.00	—	—
Oakland, CA	240.00	8.00	215.00	8.00
Orange County, CA	—	—	300.00	6.20
Orlando, FL	190.00	7.70	170.00	7.80
Philadelphia, PA	145.00	8.00	170.00	8.00
Phoenix, AZ	185.00	7.80	175.00	7.60
Pleasanton/Walnut Creek, CA	300.00	7.20	265.00	6.80
Portland, OR	260.00	7.00	170.00	6.35
Raleigh/Durham/Chapel Hill, NC	—	—	140.00	8.25
Reno, NV	150.00	8.00	205.00	7.75
Sacramento, CA	250.00	7.40	240.00	7.00
San Diego County, CA	—	—	240.00	7.40
San Francisco Peninsula, CA	—	—	390.00	5.50
San Francisco, CA	405.00	6.25	—	—
San Jose/Silicon Valley, CA	—	—	291.00	4.10
Santa Rosa/Sonoma County, CA	—	—	255.00	6.45
St. Louis, MO	100.00	9.75	140.00	8.75
Stockton/San Joaquin County, CA	160.00	8.75	—	—
Tampa, FL	160.00	8.00	155.00	7.75
Washington, DC	545.00	6.30	—	—
Washington, DC - Suburban, MD	—	—	280.00	6.60
W. Palm Beach/Palm Beach County, FL	—	—	230.00	7.70
US TOTAL	227.84	7.55	198.60	7.46

U.S. Office Market Shows Further Signs of Weakening as Economy Contracts

(Continued from page 1)

Sagging demand pushing rents lower. – After showing only modest declines, downtown lease rates dropped substantially during the fourth quarter with asking rents dipping by 7.1% to \$45.87 per square foot. Excluding Manhattan and San Francisco, which saw a sharp drop, downtown lease rates fell by a more modest 0.4%. Suburban asking rents fell by 1.4% to \$28.09. On an equally weighted basis this left downtown rents up 0.9% year-to-date and suburban rents down 0.6%.

Office construction showing signs of slowing. – Fourth quarter office completions dropped marginally relative to the prior quarter with new construction totaling 18.6 MSF, compared with 20.3 MSF in Q3. This was also a small decline from the fourth quarter of 2007 when construction registered 21.1 MSF. Construction activity, however, registered a substantial decline with Q4 under construction activity falling by 18.7 MSF to total 94.2 MSF. This downward movement has been anticipated since late 2007 with the onset of the credit crisis and is sure to accelerate in coming quarters. Construction financing is almost impossible to secure in the current climate with few signs lending conditions will change anytime soon.

Ross J. Moore

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CANADA OFFICE INVESTMENT

MARKET	CBD SALES PRICE (C\$PSF)	CBD CAP RATE (%)	SUBURBAN SALES PRICE (C\$PSF)	SUBURBAN CAP RATE (%)
Calgary, AB	525.00	6.50	375.00	7.00
Edmonton	275.00	6.50	200.00	6.75
Halifax, NS	—	—	65.00	7.75
Ottawa, ON	—	6.66	—	7.75
Regina, SK	130.00	7.70	—	—
Saskatoon	175.00	8.00	—	—
Toronto	415.00	6.60	—	—
Vancouver, BC	500.00	5.75	325.00	7.00
Victoria, BC	325.00	6.50	290.00	6.75
CANADA TOTAL	335.00	6.78	251.00	7.17

GLOSSARY

Inventory – Includes all existing multi or single tenant leased and owner-occupied office properties greater than or equal to 10,000 square feet (net rentable area). In some larger markets this minimum size threshold may vary up to 50,000 square feet. Does not include medical or government buildings.

Vacancy Rate – Percentage of total inventory physically vacant as at the survey date including direct vacant and sublease space.

Absorption – Net change in physically occupied space over a given period of time.

New Supply – Includes completed speculative and build-to-suit construction. New supply quoted on a net basis after any demolitions or conversions.

Annual Quoted Rent – Includes all costs associated with occupying a full floor in the mid-rise portion of a Class A building inclusive of taxes, insurance, maintenance, janitorial and utilities (electricity surcharges added where applicable). All office rents in this report are quoted on an annual, gross per square foot basis. Rent calculations do not include sublease space.

Cap Rate – (Or going-in cap rate) Capitalization rates in this survey are based on multi-tenant institutional grade buildings fully leased at market rents. Cap rates are calculated by dividing net operating income (NOI) by purchase price.

Note: SF=Square Feet PSF=Per Square Foot CBD=Central Business District

Colliers Office Locations

Colliers International is a corporation of leading real estate firms committed to delivering consistently superior commercial real estate services, wherever, and whenever needed.

- Global \$2.0 Billion in Revenue
- 868 Million SF Under Management
- 11,000 Employees
- 61 Countries
- 6 Continents



The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



293 OFFICES WORLDWIDE

136	Americas
99	United States
19	Canada
18	Latin America
95	Europe, Middle East & Africa
62	Asia Pacific

61 COUNTRIES ON 6 CONTINENTS

Albania	Macau
Argentina	Mexico
Australia	Montenegro
Austria	Netherlands
Belgium	New Zealand
Brazil	Norway
Bulgaria	Pakistan
Canada	Peru
Chile	Philippines
China	Poland
Colombia	Portugal
Costa Rica	Qatar
Croatia	Romania
Czech Republic	Russia
Denmark	Saudi Arabia
Estonia	Serbia
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